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AZ CORP COMMISSION
DOCKET CONTROLTonto Creek Utility
HC 2 Box 94
Payson, Arizona 85541Arizona Corporation Commission
DOCKETED

JUL 23 2009

July 20, 2009

Vicki Wallace
Executive Consultant
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

DOCKETED BY	
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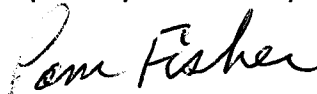
Re: Tonto Creek Utility Company – Application for Approval of the Sale of Assets and Transfer of the Certificate of Convenience and Necessity (“CC&N”) to Tonto Creek Water Company
Docket No. W-02784A-09-0276 & Docket No. W-20682A-09-0276

In answer to your letter of Insufficiency Dated July 1, 2009:

1. A map and written legal description (metes and bounds or cadastral) for the requested service area. ***See Attachment A(1) & a(2).***
2. Provide a description of the Tonto Creek Utility Company’s (“Tonto Creek” or “Company”) assets that are to be sold and transferred. On the list provided, indicate those assets, if any that would not be transferred to the Transferee. ***See Attachment B***
3. Describe in detail the Transferee’s prior experience in running a small water company, organizational structure, and financial condition. ***The Transferee has 26 years of experience at a public utility (SRP) and has acted as a General Contractor in the construction of several residential projects. The President/General Manager will manage all office operations including billing, mailings and reporting. The current Certified Operator will continue to operate the system. The Vice President will provide monthly reads of the meters, support the GM and eventually act as the Certified Operator upon completion of necessary requirements. The Transferee will not incur any debt in the sale, is fully funded, will maintain a reasonable operating budget and is in excellent financial condition***
4. Describe the effect of the proposed transaction upon the service of the applicant and any benefits that will be realized by customers if the proposed transfer is approved. ***There will be no negative impacts to the system or customers. Transferee intends to maintain and improve the system as necessary. Benefits include; Transferee maintains a residence in the service area, Transferee is financially sound, improvements are planned for the well site and additional storage capacity will be added in the future.***
5. Describe the method by which the proposed transaction will be financed. ***The Transferee will provide full payment and not incur any debt.***
6. Describe in what respect, if any, the proposed transaction will have on any other utility. ***The only other water utility is approximately over 3 miles away (Kohl’s Ranch). This transfer will have no effect on that system. It will not affect APS.***

7. Provide the name and ADEQ certification number of the person who will be the certified operator of the water system upon the completion of the transfer. **Certified Operator Gerald Fisher Certificate Numbers 22672 & 22673. See Attachment C.**
8. Describe any change to the operation and maintenance of the system that will occur if the proposed transfer is approved. **There are no planned changes to the operation and maintenance of the system. Transferee plans to improve the well site area and provide additional storage in the future.**
9. Provide a copy of the transfer of City or County Franchises from Transferor to Transferee. **Application has been made to Gila County for the transfer of franchise. After the Board of Supervisors accepts the application in their meeting of July 20, 2009 it will be advertised for three weeks at which time it will go back to the Board of Supervisors for approval of the transfer.**
10. Will any of the Tonto Creek's liabilities, including but not limited to, refund obligations associated with main extension agreements and deposits be assumed by the acquiring entity? **The only liabilities are meter advance aid in construction and one main extension. Both of these will be refunded at closing by transferor.**
11. Will the acquiring entity charge the same rates as Tonto Creek and is there any anticipated future plan to request an increase in rates. **Transferee intends to charge the same rates and is not currently planning any rate increase.**
12. Have any of the (present and past) officers, directors and/or employees of the acquiring entity been accused of allegations of political corruption (including but not limited to campaign violations and election law violations); allegations of construction violations; allegations of misconduct; and filings at administrative hearings, at the local, state, or federal agencies, including at the Federal Elections Commission, Registrar of Contractors, or any violations of law? **No.** If so, please provide a comprehensive list of the entities that have been accused of the above-mentioned allegations; the litigation history; and the individual case disposition.
13. Have any of the persons or entities listed in No. 6 above been convicted or admitted to any of the allegations listed? **No.**
14. Has the acquiring entity ever filed for bankruptcy? **No.**
15. Please identify any and all mechanics, tax or other liens that have been assessed against Tonto Creek or the acquiring entity or their owners/operators. **No liens have been assessed against the Transferee. No liens have been assessed against Tonto Creek Utility, its owners or operators.**
16. Please provide Tonto Creek's compliance status with the Arizona Department of Environmental Quality and Arizona Department of Water Resources. **See Attachments D & E**

Respectfully submitted by



Pam Fisher
Secretary/Treasurer

ATTACHMENT A (1)

Docket No. U-1630-94-230 ET AL

EXHIBIT A
LEGAL DESCRIPTION
TONTA CREEK ESTATES AND TONTA RIM RANCH

BEGINNING AT THE WEST QUARTER CORNER OF SECTION 7,
TOWNSHIP 11 NORTH, RANGE 12 EAST, GILA COUNTY;

THENCE NORTH 85° 18' EAST, A DISTANCE OF 10800.24 FEET TO
CORNER #1 OF HOMESTEAD ENTRY #137 AND POINT OF BEGINNING;

THENCE NORTH 26° 02' EAST, A DISTANCE OF 2604.41 FEET TO
CORNER #2;

THENCE SOUTH 55° 57' EAST, A DISTANCE OF 1125.97 FEET;

THENCE SOUTH 17° WEST, A DISTANCE OF 176.59 FEET;

THENCE SOUTH 40° 44' WEST, A DISTANCE OF 193.90 FEET;

THENCE SOUTH 41° 58' WEST, A DISTANCE OF 100.00 FEET;

THENCE SOUTH 38° 25' WEST, A DISTANCE OF 100.00 FEET;

THENCE SOUTH 50° 47' EAST, A DISTANCE OF 127.17 FEET;

THENCE SOUTH 30° -25' WEST, A DISTANCE OF 805.88 FEET;

THENCE SOUTH 55° 26' EAST, A DISTANCE OF 181.07 FEET;

THENCE SOUTH 55° 26' EAST, A DISTANCE OF 150.00 FEET;

THENCE SOUTH 34° 13' 45" WEST, A DISTANCE OF 1503.32 FEET TO
CORNER #4;

THENCE NORTH 42° 16' WEST, A DISTANCE OF 1311.42 FEET TO POINT
OF BEGINNING;

EXCEPT for the following described parcel:

BEGINNING AT CORNER #4 OF HOMESTEAD ENTRY #137;

THENCE NORTH 42° 15' WEST, A DISTANCE OF 205.85 FEET TO
POINT OF BEGINNING;

THENCE NORTH 42° 15' WEST, A DISTANCE OF 210.61 FEET;

THENCE NORTH 35° 30' EAST, A DISTANCE OF 38 FEET;

THENCE NORTH 20° 30' EAST, A DISTANCE OF 158 FEET;

THENCE SOUTH 60° 30' EAST, A DISTANCE OF 30 FEET;

THENCE NORTH 40° 35' EAST, A DISTANCE OF 107.40 FEET;

THENCE NORTH 14° 08' EAST, A DISTANCE OF 69 FEET;

THENCE SOUTH 74° 13' EAST, A DISTANCE OF 225 FEET;

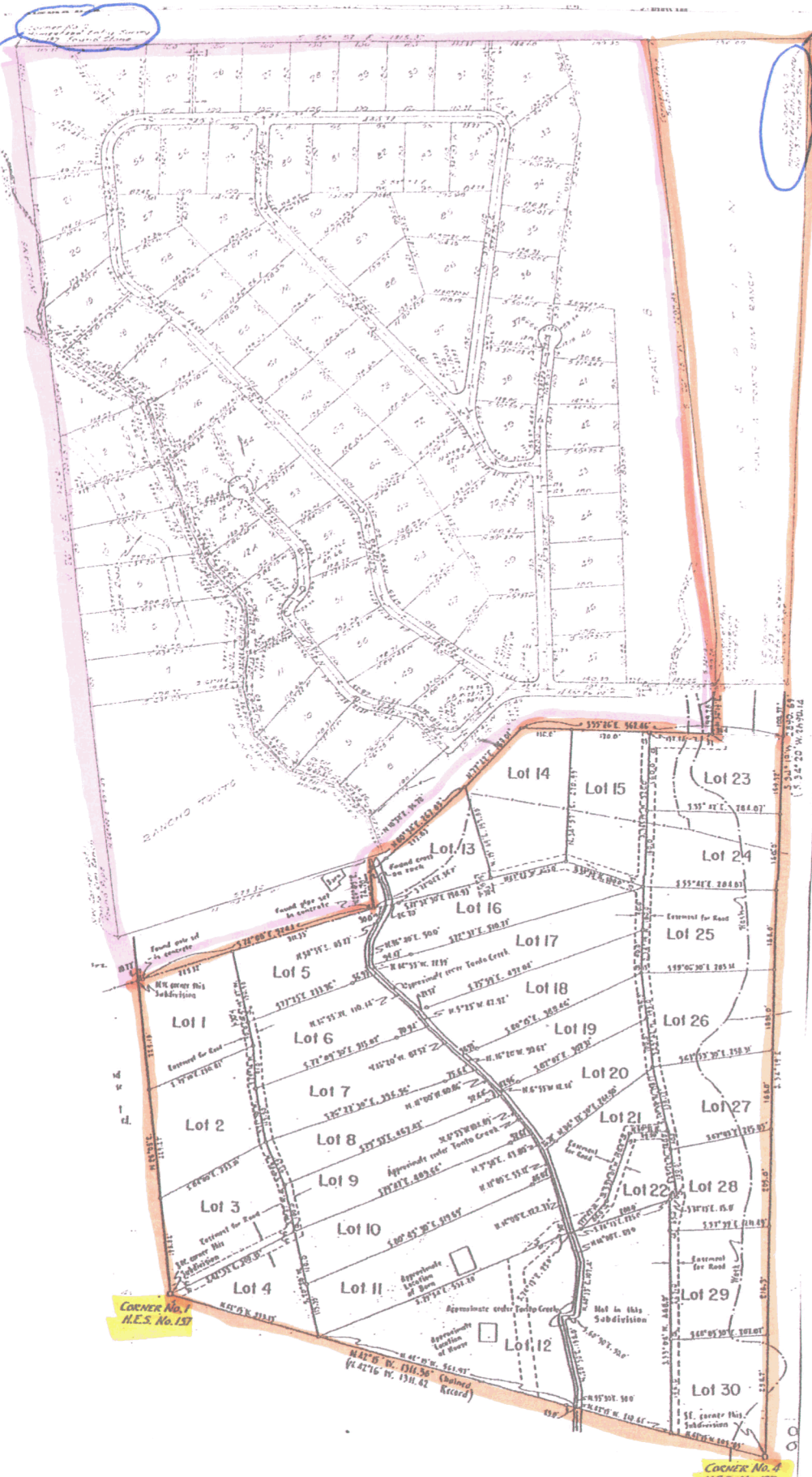
THENCE SOUTH 33° 04' WEST, A DISTANCE OF 468 FEET TO
POINT OF BEGINNING.

Decision No. 58936

ATTACHMENT A (2)

COR 2 HES 137

COR 3 HES 137



TONTO RIM RANCH
TONTO CREEK EST

ATTACHMENT B

TONTO CREEK UTILITY
LIST OF ASSETS
ITEM 2

1 Air Pressure pump installed

- 1 Air Pressure pump new not installed
- 1 10 Horse booster installed
- 1 10 Horse booster not installed
- 2 15,000 gallon storage tanks
- 1 2000 gallon pressure tank
- 2 1.5" meters
- 1 12 x 24 pump house

- 73 5/8 x 34" customer meters

- 1 Submersible pump

- 1 well #55-807245

- 1 Tank and pump house chain link fence

Pipe Lines:

- 4900' - 2" Galv
- 4800 - 4" Galv
- 950 - 1.5" Galv
- 500 - 1/5" Sch 40
- 800 - 2" Sch 40

Misc. equipment, tools, supplies & fittings.

½ Lot 23 of Tonto Creek Estates: Legal Description Lot 23, of Tonto Creek Estates, according to the plat of record in the office of the county Recorder of Gila County, Arizona, recorded in Map No. 208. EXCEPT that portion of said Lot 23 described as follows: From the most Northerly corner of said Lot 23 run South 55 degrees 57 minutes East, 110.92 feet to the most Northerly corner of the parcel of land herein described and the POINT OF BEGINNING thereof; THENCE South 50 degrees 05 minutes West, 118.94 feet: THENCE southwesterly along a curve, tangent to last mentioned line, concave to the East said curve having a radius of 24.36 feet, a central angle of 78 degrees 47 minutes, a length of 33.50 feet to a point from which a point on the Southwesterly line of Lot 23 bears South 61 degrees 18 minutes West, 30.00 feet; THENCE South 28 degrees 42 minutes East tangent to last mentioned curve and parallel with the Southwesterly line of said Lot 23, 118.08 feet to a point on the Northerly right of way line of a 25 foot road; THENCE northeasterly along a curve concave to the Southeast, said 58 minutes, a length of 36.39 feet to a corner of Lot 23; THENCE North 1 degrees 32 minutes East along the East line of Lot 23, 200.78 feet to the POINT OF BEGINNING.

ATTACHMENT C

GERALD G FISHER, OP002497

Arizona Department of Environmental Quality
Operator Certification Program
1110 West Washington Street
Phoenix, Arizona 85007

has complied with the requirements for operator certification in the State of Arizona pursuant to Arizona Revised Statutes, Title 49, Chapter 2, Articles 9 and 10, and Arizona Administrative Code, Title 18, Chapter 5, Article 1. Therefore, the Arizona Department of Environmental Quality issues this Certificate of Registration as a:

Certificate	Grade and Classification	Exp.
22672	Grade 2 Water Distribution System Operator	6/30/2011
22673	Grade 2 Water Treatment Plant Operator	6/30/2011

GERALD G FISHER
HC2 BOX 94
PAYSON, AZ 85541

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

GERALD G FISHER, OP002497

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Certificate Number

22672
22673

Grade and Classification

Grade 2 Water Distribution System Operator
Grade 2 Water Treatment Plant Operator

Expiration Date

6/30/2011
6/30/2011

[Signature]
Operator Certification Coordinator

Please notify the Operator Certification Program at (602) 771-4644:

1. Within 10 days of an address change, or
2. A change of employment, or
3. To renew your certificate.

You will not be notified regarding your certificate expiration.

ATTACHMENT D

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
Mail Code 5415B-2
1110 West Washington Street
Phoenix, AZ 85007

No. 7877 P. 2

Drinking Water Compliance Status Report

System Name	System Type	Is system consecutive?
TONTO CREEK UTILITY CO	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
System ID #	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
04021	<input type="checkbox"/> Transient Non-community	

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	9-24-07	Inspector Karen Berry, CRO
Major unresolved ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi <input type="checkbox"/> cross connection/backflow problems <input type="checkbox"/> treatment deficiencies <input type="checkbox"/> certified operator <input type="checkbox"/> inadequate storage <input type="checkbox"/> surface water treatment rule <input type="checkbox"/> ATC/AOC <input type="checkbox"/> other =		
Comments: None		

Is an ADEQ administrative order in effect?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	213
Service Connections	73
Number of Entry Points to the Distribution System	1
Number of Sources	1
Initial Monitoring Year	1993
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation completed by:	Donna Calderon, Manager Drinking Water Monitoring and Protection Unit
Phone	602-771-4641
Date	July 7, 2009
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.

Revised March 2009

Jul. 7. 2009 1:57PM eectucson

ATTACHMENT E

Arizona Department of Water Resources Water Provider Compliance Status Report

Water Provider Name: Tonto Creek Utility Co.

Water Provider ID #: 91-000127.0000 (AZ0404021)

Compliance Status:

<i>Requirement</i>	<i>In compliance</i>	<i>Not in Compliance</i>	<i>Not yet determined</i>	<i>Not Applicable</i>
Annual water use reports within AMAs and INAs (if using non-exempt wells)				X
Annual report for community water systems outside of AMAs	X			
Annual assured or adequate water supply reports for designated providers				X (Undesignated Provider)
Designation of assured or adequate water supply in good standing for designated providers				X
System water plan	X			
Management plan requirements within AMAs 1) Lost and unaccounted for water <10% of total use for large providers <15% of total use for small providers 2) Annual submittal of updated service area and distribution maps 3) NPCCP requirements are met 4) GPCD requirements are met 5) ACP requirements are met 6) Individual user requirements are met				X (Tonto Creek is not located within any Active Management Area.)
Well permit volumes within AMAs				X
Type I and II grandfathered right limits within AMAs				X
Maintenance of accurate measuring devices within AMAs and INAs				X

Groundwater transportation restrictions				X
Approval of deliveries of groundwater to other providers within AMAs				X

Comments: As of July 7, 2009, ADWR has determined that Tonto Creek Utility Company is currently in compliance with departmental requirements governing water providers and/or community water systems. If you have any questions or concerns regarding this matter please contact Andrew Craddock, Compliance Committee Chair at (602) 771-8615.

Completed by:

Program	Reviewed	Not applicable	Name	Phone	Date
AMA Office		X	Andrew Craddock	602-771-8615	8/12/08 UPDATE: 7/7/09
Office of Assured & Adequate Water Supply		X	Rick Obenshain	602-771- 8622	8/12/08 UPDATE: 7/7/09
Community Water Planning	X		Andrew Craddock	602-771-8615	08/11/08 UPDATE: 7/7/09

This compliance status report does not guarantee the water availability for this system, nor does it reflect the status of any other water system owned by this utility company.